

# House Amendment 8150

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1 1 Amend House File 2627 as follows:  
1 2 #1. By striking everything after the enacting  
1 3 clause and inserting the following:  
1 4 <Section 1. Section 7E.6, subsection 3, Code  
1 5 Supplement 2005, is amended to read as follows:  
1 6 3. Any position of membership on the board of the  
1 7 Iowa lottery ~~authority division~~ shall receive  
1 8 compensation of fifty dollars per day and expenses.  
1 9 Sec. 2. Section 7J.1, subsection 1, Code  
1 10 Supplement 2005, is amended to read as follows:  
1 11 1. DESIGNATION OF CHARTER AGENCIES == PURPOSE.  
1 12 The governor may, by executive order, designate state  
1 13 departments or agencies, as described in section 7E.5,  
1 14 ~~or the Iowa lottery authority established in chapter~~  
1 15 ~~99G, other than the department of administrative~~  
1 16 ~~services, or the department of management, or the Iowa~~  
1 17 ~~lottery division established in chapter 99G, as a~~  
1 18 charter agency by July 1, 2003. The designation of a  
1 19 charter agency shall be for a period of five years  
1 20 which shall terminate as of June 30, 2008. The  
1 21 purpose of designating a charter agency is to grant  
1 22 the agency additional authority as provided by this  
1 23 chapter while reducing the total appropriations to the  
1 24 agency.  
1 25 Sec. 3. Section 8A.201, subsection 4, paragraph f,  
1 26 Code Supplement 2005, is amended to read as follows:  
1 27 f. The Iowa lottery ~~authority division~~.  
1 28 Sec. 4. Section 68B.35, subsection 2, paragraph e,  
1 29 Code 2005, is amended to read as follows:  
1 30 e. Members of the state banking council, the  
1 31 ethics and campaign disclosure board, the credit union  
1 32 review board, the economic development board, the  
1 33 employment appeal board, the environmental protection  
1 34 commission, the health facilities council, the Iowa  
1 35 finance authority, the Iowa public employees'  
1 36 retirement system investment board, the board of the  
1 37 Iowa lottery ~~authority division~~, the natural resource  
1 38 commission, the board of parole, the petroleum  
1 39 underground storage tank fund board, the public  
1 40 employment relations board, the state racing and  
1 41 gaming commission, the state board of regents, the tax  
1 42 review board, the transportation commission, the  
1 43 office of consumer advocate, the utilities board, the  
1 44 Iowa telecommunications and technology commission, and  
1 45 any full-time members of other boards and commissions  
1 46 as defined under section 7E.4 who receive an annual  
1 47 salary for their service on the board or commission.  
1 48 The Iowa ethics and campaign disclosure board shall  
1 49 conduct an annual review to determine if members of  
1 50 any other board, commission, or authority should file  
2 1 a statement and shall require the filing of a  
2 2 statement pursuant to rules adopted pursuant to  
2 3 chapter 17A.  
2 4 Sec. 5. Section 99B.1, subsection 20, Code 2005,  
2 5 is amended to read as follows:  
2 6 20. "Merchandise" includes lottery tickets or  
2 7 shares sold or authorized under chapter 99G. The  
2 8 value of the ticket or share is the price of the  
2 9 ticket or share as established by the Iowa lottery  
2 10 ~~authority division~~ pursuant to chapter 99G.  
2 11 Sec. 6. Section 99B.7, subsection 1, paragraph 1,  
2 12 subparagraph (1), Code Supplement 2005, is amended to  
2 13 read as follows:  
2 14 (1) No other gambling is engaged in at the same  
2 15 location, except that lottery tickets or shares issued  
2 16 by the Iowa lottery ~~authority division~~ may be sold  
2 17 pursuant to chapter 99G.  
2 18 Sec. 7. Section 99G.1, Code 2005, is amended to  
2 19 read as follows:  
2 20 99G.1 TITLE.  
2 21 This chapter may be cited as the "Iowa Lottery  
2 22 ~~Authority~~ Act".  
2 23 Sec. 8. Section 99G.2, subsection 2, Code 2005, is  
2 24 amended by striking the subsection.

2 25 Sec. 9. Section 99G.3, subsection 2, Code 2005, is  
2 26 amended to read as follows:

2 27 2. ~~"Authority"~~ "Division" means the Iowa lottery  
2 28 ~~authority division of the department of inspections~~  
2 29 ~~and appeals.~~

2 30 Sec. 10. Section 99G.3, subsection 7, Code 2005,  
2 31 is amended to read as follows:

2 32 7. "Lottery", "lotteries", "lottery game",  
2 33 "lottery games" or "lottery products" means any game  
2 34 of chance approved by the board and operated pursuant  
2 35 to this chapter and games using mechanical or  
2 36 electronic devices, provided that the ~~authority~~  
2 37 division shall not authorize a monitor vending machine  
2 38 ~~or a player-activated gaming machine that utilizes an~~  
2 39 ~~internal randomizer to determine winning and~~  
2 40 ~~nonwinning plays and that upon random internal~~  
2 41 ~~selection of a winning play dispenses coins, currency,~~  
2 42 ~~or a ticket, credit, or token to the player that is~~  
2 43 ~~redeemable for cash or a prize, and excluding gambling~~  
2 44 ~~or gaming conducted pursuant to chapter 99B, 99D, or~~  
2 45 ~~99F.~~

2 46 Sec. 11. Section 99G.3, Code 2005, is amended by  
2 47 adding the following new subsection:

2 48 NEW SUBSECTION. 8A. "Monitor vending machine"  
2 49 means a machine or other similar electronic device  
2 50 that includes a video monitor and audio capabilities  
3 1 that dispenses to a purchaser lottery tickets that  
3 2 have been determined to be winning or losing tickets  
3 3 by a predetermined pool drawing machine prior to the  
3 4 dispensing of the tickets.

3 5 Sec. 12. Section 99G.4, subsection 1, Code 2005,  
3 6 is amended to read as follows:

3 7 1. An Iowa lottery ~~authority division is created,~~  
3 8 ~~effective September 1, 2003, established within the~~  
3 9 ~~department of inspection and appeals which shall~~  
3 10 ~~administer the state lottery. The authority shall be~~  
3 11 ~~deemed to be a public authority and an instrumentality~~  
3 12 ~~of the state, and not a state agency. However, the~~  
3 13 ~~authority shall be considered a state agency for~~  
3 14 ~~purposes of chapters 17A, 21, 22, 28E, 68B, 91B, 97B,~~  
3 15 ~~509A, and 669.~~

3 16 Sec. 13. Section 99G.7, subsection 1, paragraph e,  
3 17 Code 2005, is amended to read as follows:

3 18 e. Prepare a budget proposal for the approval of  
3 19 the board.

3 20 Sec. 14. Section 99G.8, subsection 1, Code 2005,  
3 21 is amended to read as follows:

3 22 1. The ~~authority division~~ shall be administered by  
3 23 a board of directors created within the department of  
3 24 inspections and appeals and comprised of five members  
3 25 appointed by the governor subject to confirmation by  
3 26 the senate. Board members appointed when the senate  
3 27 is not in session shall serve only until the end of  
3 28 the next regular session of the general assembly,  
3 29 unless confirmed by the senate.

3 30 Sec. 15. Section 99G.9, subsection 1, Code 2005,  
3 31 is amended to read as follows:

3 32 1. Approve, disapprove, amend, or modify the  
3 33 budget recommended by the chief executive officer for  
3 34 the operation of the ~~authority division for submission~~  
3 35 pursuant to section 8.23.

3 36 Sec. 16. Section 99G.9, subsection 3, unnumbered  
3 37 paragraph 1, Code 2005, is amended to read as follows:

3 38 Adopt policies and procedures and promulgate  
3 39 administrative rules pursuant to chapter 17A relating  
3 40 to the management and operation of the ~~authority~~  
3 41 division. The administrative rules promulgated  
3 42 pursuant to this subsection ~~may~~ shall include but  
3 43 shall not be limited to the following:

3 44 Sec. 17. Section 99G.9, subsection 3, paragraph a,  
3 45 Code 2005, is amended to read as follows:

3 46 a. The type of games to be conducted. The board  
3 47 shall only authorize for use any type of lottery game  
3 48 and manner of playing that game that was authorized  
3 49 for use in this state as of July 1, 2006.

4 50 Sec. 18. Section 99G.9, Code 2005, is amended by  
4 1 adding the following new subsection:

4 2 NEW SUBSECTION. 4A. To establish a process to  
4 3 allow a person to be voluntarily excluded for life  
4 4 from purchasing a lottery ticket or share for lottery  
4 5 games authorized by this chapter. The process

4 6 established shall require that the division  
4 7 disseminate information regarding persons voluntarily  
4 8 excluded to all retailers under this chapter and, if  
4 9 applicable, to licensees under chapters 99D and 99F.  
4 10 The state, the division, retailers under this chapter,  
4 11 and, if applicable, any licensee under chapter 99D or  
4 12 99F shall not be liable to any person for any claim  
4 13 which may arise from this process. In addition to any  
4 14 other penalty provided by law, any money or thing of  
4 15 value that has been obtained by, or is owed to, a  
4 16 voluntarily excluded person by the division as a  
4 17 result of playing any lottery game by the person after  
4 18 the person has been voluntarily excluded shall not be  
4 19 paid to the person but shall be deposited into the  
4 20 gambling treatment fund created in section 135.150.  
4 21 The division shall coordinate with the racing and  
4 22 gaming commission to establish a unified process for  
4 23 allowing persons to be excluded for life under this  
4 24 chapter and chapters 99D and 99F, and to establish a  
4 25 statewide database of persons excluded under this  
4 26 process and those excluded under the process for  
4 27 racetrack enclosures and all other licensed facilities  
4 28 under chapters 99D and 99F.

4 29 Sec. 19. Section 99G.10, subsection 2, Code 2005,  
4 30 is amended to read as follows:

4 31 2. Subject to the approval of the board, the chief  
4 32 executive officer shall have the sole power to  
4 33 designate particular employees as key personnel, but  
4 34 may take advice from the department of administrative  
4 35 services in making any such designations. All key  
4 36 personnel shall be exempt from the merit system  
4 37 described in chapter 8A, subchapter IV. The chief  
4 38 executive officer and the board shall have the sole  
4 39 power to employ, and classify, and fix the  
4 40 ~~compensation of key personnel who shall be compensated~~  
4 41 ~~pursuant to section 8A.413, subsection 2, under the~~  
4 42 ~~pay plan for exempt positions in the executive branch~~  
4 43 ~~of government.~~ All other employees shall be employed,  
4 44 classified, and compensated in accordance with chapter  
4 45 8A, subchapter IV, and chapter 20.

4 46 Sec. 20. Section 99G.10, subsections 3 and 5, Code  
4 47 2005, are amended by striking the subsections.

4 48 Sec. 21. Section 99G.21, subsection 2, paragraphs  
4 49 h and i, Code 2005, are amended by striking the  
4 50 paragraphs.

5 1 Sec. 22. Section 99G.21, subsection 3, Code 2005,  
5 2 is amended by striking the subsection.

5 3 Sec. 23. Section 99G.30, Code 2005, is amended by  
5 4 adding the following new subsection:

5 5 NEW SUBSECTION. 8. Lottery products or shares  
5 6 shall only be sold by a person at least eighteen years  
5 7 of age.

5 8 Sec. 24. NEW SECTION. 99G.30A AGE RESTRICTIONS  
5 9 == PENALTIES.

5 10 1. A person under the age of twenty-one years  
5 11 shall not purchase or attempt to purchase a lottery  
5 12 ticket or share. A person who violates this  
5 13 subsection commits a scheduled violation under section  
5 14 805.8C, subsection 5.

5 15 2. If any retailer, or employee of a retailer, is  
5 16 convicted or found in violation of section 99G.30,  
5 17 subsection 3, the division shall, in addition to  
5 18 criminal penalties fixed for violation of that  
5 19 subsection, assess a civil penalty as follows:

5 20 a. A first violation shall subject the retailer to  
5 21 a civil penalty in the amount of five hundred dollars.

5 22 b. A second violation within two years shall  
5 23 subject the retailer to a thirty-day suspension of the  
5 24 retailer's license and a civil penalty in the amount  
5 25 of one thousand five hundred dollars.

5 26 c. A third violation within three years shall  
5 27 subject the retailer to a sixty-day suspension of the  
5 28 retailer's license and a civil penalty in the amount  
5 29 of one thousand five hundred dollars.

5 30 d. A fourth violation within three years shall  
5 31 result in revocation of the retailer's license.

5 32 e. For purposes of this subsection:

5 33 (1) The date of any violation shall be used in  
5 34 determining the period between violations.

5 35 (2) Suspension shall be limited to the specific  
5 36 license for the premises found in violation.

5 37 Sec. 25. Section 99G.33, Code 2005, is amended to  
5 38 read as follows:

5 39 99G.33 LAW ENFORCEMENT INVESTIGATIONS.

5 40 The department of public safety, division of  
5 41 criminal investigation, shall be the primary state  
5 42 agency responsible for investigating criminal  
5 43 violations under this chapter. The chief executive  
5 44 officer shall contract with the department of public  
5 45 safety for investigative services, including the  
5 46 employment of special agents and support personnel,  
5 47 and procurement of necessary equipment to carry out  
5 48 the responsibilities of the division of criminal  
5 49 investigation under the terms of the contract and this  
5 50 chapter. The contract shall provide, at a minimum,  
6 1 for random checks of retailers at all hours for  
6 2 compliance with the provisions of this chapter,  
6 3 especially as it relates to the purchase of lottery  
6 4 products by a person who has not reached the age of  
6 5 twenty-one.

6 6 Sec. 26. Section 99G.40, subsection 4, Code 2005,  
6 7 is amended to read as follows:

6 8 4. ~~For informational purposes only~~ Consistent with  
6 9 the requirements of section 8.23, the chief executive  
6 10 officer shall submit to the department of management  
6 11 by October 1 of each year a proposed operating budget  
6 12 for the ~~authority division~~ for the succeeding fiscal  
6 13 year. This budget proposal shall also be accompanied  
6 14 by an estimate of the net proceeds to be deposited  
6 15 into the general fund during the succeeding fiscal  
6 16 year. This budget shall be on forms prescribed by the  
6 17 department of management. A copy of the information  
6 18 required to be submitted to the department of  
6 19 management pursuant to this subsection shall be  
6 20 submitted to the legislative government oversight  
6 21 committees and the legislative services agency by  
6 22 October 1 of each year.

6 23 Sec. 27. Section 321.19, subsection 1, unnumbered  
6 24 paragraph 2, Code Supplement 2005, is amended to read  
6 25 as follows:

6 26 The department shall furnish, on application, free  
6 27 of charge, distinguishing plates for vehicles thus  
6 28 exempted, which plates except plates on state patrol  
6 29 vehicles shall bear the word "official" and the  
6 30 department shall keep a separate record. Registration  
6 31 plates issued for state patrol vehicles, except  
6 32 unmarked patrol vehicles, shall bear two red stars on  
6 33 a yellow background, one before and one following the  
6 34 registration number on the plate, which registration  
6 35 number shall be the officer's badge number.  
6 36 Registration plates issued for county sheriff's patrol  
6 37 vehicles shall display one seven-pointed gold star  
6 38 followed by the letter "S" and the call number of the  
6 39 vehicle. However, the director of the department of  
6 40 administrative services or the director of  
6 41 transportation may order the issuance of regular  
6 42 registration plates for any exempted vehicle used by  
6 43 peace officers in the enforcement of the law, persons  
6 44 enforcing chapter 124 and other laws relating to  
6 45 controlled substances, persons in the department of  
6 46 justice, the alcoholic beverages division of the  
6 47 department of commerce, disease investigators of the  
6 48 Iowa department of public health, the department of  
6 49 inspections and appeals, and the department of  
6 50 revenue, who are regularly assigned to conduct  
7 1 investigations which cannot reasonably be conducted  
7 2 with a vehicle displaying "official" state  
7 3 registration plates, persons in the Iowa lottery  
7 4 ~~authority division~~ whose regularly assigned duties  
7 5 relating to security or the carrying of lottery  
7 6 tickets cannot reasonably be conducted with a vehicle  
7 7 displaying "official" registration plates, and persons  
7 8 in the department of economic development who are  
7 9 regularly assigned duties relating to existing  
7 10 industry expansion or business attraction. For  
7 11 purposes of sale of exempted vehicles, the exempted  
7 12 governmental body, upon the sale of the exempted  
7 13 vehicle, may issue for in-transit purposes a  
7 14 pasteboard card bearing the words "Vehicle in  
7 15 Transit", the name of the official body from which the  
7 16 vehicle was purchased, together with the date of the  
7 17 purchase plainly marked in at least one-inch letters,

7 18 and other information required by the department. The  
7 19 in-transit card is valid for use only within forty=  
7 20 eight hours after the purchase date as indicated on  
7 21 the bill of sale which shall be carried by the driver.  
7 22 Sec. 28. Section 725.12, subsections 2 and 5, Code  
7 23 Supplement 2005, are amended to read as follows:  
7 24 2. A commercial organization shall not conduct a  
7 25 promotional activity that involves the sale of pull=  
7 26 tab tickets or instant tickets, as defined in section  
7 27 99G.3, coupons, or tokens that are not authorized by  
7 28 the Iowa lottery ~~authority~~ division and that may  
7 29 represent a chance to win a cash prize to be paid on  
7 30 the premises where the chance to win such prize was  
7 31 obtained. This subsection shall not be construed to  
7 32 prohibit a commercial organization from giving away  
7 33 pull-tab tickets, instant tickets, coupons, or tokens  
7 34 free of charge as part of a promotional activity,  
7 35 provided that the other provisions of this section are  
7 36 complied with. For purposes of this subsection,  
7 37 "cash" means United States currency.  
7 38 5. Upon request of the Iowa lottery ~~authority~~  
7 39 division or the division of criminal investigation of  
7 40 the department of public safety, the attorney general  
7 41 shall institute in the name of the state the proper  
7 42 proceedings against a person charged in such request  
7 43 with violating this section, and a county attorney  
7 44 may, at the request of the attorney general, appear  
7 45 and prosecute an action when brought in the county  
7 46 attorney's county.  
7 47 Sec. 29. Section 805.8C, subsection 5, Code  
7 48 Supplement 2005, is amended to read as follows:  
7 49 5. GAMBLING VIOLATIONS. For violations of legal  
7 50 age for gambling wagering under section 99D.11,  
8 1 subsection 7, section 99F.9, subsection 5, section  
8 2 99G.30B, subsection 1, and section 725.19, subsection  
8 3 1, the scheduled fine is five hundred dollars.  
8 4 Failure to pay the fine by a person under the age of  
8 5 eighteen shall not result in the person being detained  
8 6 in a secure facility.  
8 7 Sec. 30. 2003 Iowa Acts, chapter 178, section 120,  
8 8 is repealed.  
8 9 Sec. 31. AMENDMENTS CHANGING TERMINOLOGY ==  
8 10 DIRECTIVE TO CODE EDITOR. Except as otherwise  
8 11 provided in the Act, the Iowa Code editor is directed  
8 12 to strike the word "authority" and insert the word  
8 13 "division" wherever the word "authority" appears in  
8 14 chapter 99G unless a contrary intent is clearly  
8 15 evident.  
8 16 Sec. 32. IOWA LOTTERY DIVISION == TRANSITION  
8 17 PROVISIONS.  
8 18 1. For purposes of this section, unless the  
8 19 context otherwise requires:  
8 20 a. "Iowa lottery authority" means the Iowa lottery  
8 21 authority created in 2003 Iowa Acts, chapter 178.  
8 22 b. "Iowa lottery division" means the Iowa lottery  
8 23 division of the department of inspections and appeals  
8 24 as created in this Act under chapter 99G.  
8 25 2. The Iowa lottery division shall be the legal  
8 26 successor to the Iowa lottery authority and, as such,  
8 27 shall assume all rights, privileges, obligations, and  
8 28 responsibilities of the Iowa lottery authority. The  
8 29 promulgated rules of the Iowa lottery authority shall  
8 30 remain in full force and effect as the rules of the  
8 31 division until amended or repealed by the division.  
8 32 In addition, the Iowa lottery division may continue  
8 33 the security practices and procedures utilized by the  
8 34 Iowa lottery authority until amended or repealed by  
8 35 the division.  
8 36 3. Notwithstanding any provision of chapter 99G,  
8 37 as amended by this Act, to the contrary, the chief  
8 38 executive officer of the Iowa lottery authority shall  
8 39 serve as the initial chief executive officer of the  
8 40 Iowa lottery division. In addition, notwithstanding  
8 41 any provision of section 99G.5 to the contrary, the  
8 42 initial term of office for the chief executive officer  
8 43 of the Iowa lottery division as of the effective date  
8 44 of this Act shall end April 30, 2008.  
8 45 4. Personnel of the Iowa lottery authority  
8 46 employed on the effective date of this Act shall  
8 47 transition to the Iowa lottery division as the initial  
8 48 division employees.

8 49 5. In order to effect an immediate and efficient  
8 50 transition of the lottery from the Iowa lottery  
9 1 authority to the Iowa lottery division, as soon as  
9 2 practicable, the Iowa lottery division shall do all of  
9 3 the following:  
9 4 a. Take such steps and enter into such agreements  
9 5 as the board of the Iowa lottery division may  
9 6 determine are necessary and proper in order to effect  
9 7 the transfer, assignment, and delivery to the division  
9 8 from the authority all the tangible and intangible  
9 9 assets constituting the lottery, including the  
9 10 exclusive right to operate the lottery and the  
9 11 assignment to and assumption by the division of all  
9 12 agreements, covenants, and obligations of the Iowa  
9 13 lottery authority relating to the operation and  
9 14 management of the lottery.  
9 15 b. Receive as transferee from the Iowa lottery  
9 16 authority all of the tangible and intangible assets  
9 17 constituting the lottery including, without  
9 18 limitation, the exclusive authorization to operate a  
9 19 lottery in the state of Iowa and ownership of  
9 20 annuities and bonds purchased prior to the date of  
9 21 transfer and held in the name of the Iowa lottery  
9 22 authority for payment of lottery prizes, and shall  
9 23 assume and discharge all of the agreements, covenants,  
9 24 and obligations of the Iowa lottery authority entered  
9 25 into and constituting part of the operation and  
9 26 management of the lottery.>  
9 27 #2. Title page, by striking lines 1 and 2 and  
9 28 inserting the following: <An Act concerning the Iowa  
9 29 lottery relating to the operation of the lottery,  
9 30 prohibiting monitor vending machines, and providing  
9 31 penalties.>  
9 32 #3. By renumbering as necessary.  
9 33  
9 34  
9 35  
9 36 \_\_\_\_\_  
9 36 CARROLL of Poweshiek  
9 37 HF 2627.303 81  
9 38 ec/cf/5012